

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) to (c). Provisions already exist in the Representation of People Act, 1951 to prevent use of caste or religion for electoral gains.

[English]

Handicrafts and Gift Fair

4250. SHRI K.C. KONDAIAH : Will the Minister of TEXTILES be pleased to state :

(a) whether a three day Indian Handicrafts and Gift Fair held at Bangalore in September 1996;

(b) if so, the details thereof and the total amount spent thereon;

(c) the amount earned from sponsors and the amount of export orders received at the above fair;

(d) whether the above Fair was not open to the general public; and

(e) if so, the reasons therefor?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) : (a) and (b). Yes, Sir. This fair was a buyer-seller's fair between exporters and importers of handicrafts. An amount of Rs.1.93 crores was spent for organising the fair at Bangalore.

(c) An amount of Rs.72.84 lakhs was received from the participants towards their participation charges, advertisement etc. About Rs.39.00 crores worth export orders were received in this fair.

(d) and (e). In the overall interest of exporters who earn valuable foreign exchange for the country and for providing an opportunity for them to negotiate under conducive conditions with buyers, the fair was open to invited buyers and exporters.

Loans by United bank of India in Northern Region

4251. SHRI AMAR ROY PRADHAN : Will the Minister of FINANCE be pleased to state :

(a) the details of the loans disbursed by the United Bank of India in the Northern India region amounting to Rs.10 lakhs and above without any tangible security during the last three years;

(b) the percentage of the loan amount given to SC/ST applicants in this region against the total advance.

(c) the number of loan applications received from SC/ST applicants by the above bank directly or through Government agencies and the number of applications out of them sanctioned and rejected and the reasons for rejections;

(d) the time limit stipulated to sanction a loan of Rs.10 lakhs and whether the banks is maintaining the RBI time scheduled while disposing of the loan applications; and

(e) if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (e). The information is being collected and will be laid on the Table of the House to the extent available.

[Translation]

Dumping by Western Coalfields Limited

4252. SHRI HANSRAJ AHIR : Will the Minister of COAL be pleased to state :

(a) whether the farmers could not harvest their crops due to over dumping by Western Coalfields Limited in the banks of Wardha river (Maharashtra) ;

(b) if so, the details thereof; and

(c) the compensation being paid by the Western Coalfields Limited to the farmers?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) No, Sir.

(b) and (c). Does not arise.

[English]

Per Capita Central Assistance

4253. SHRI CHAMAN LAL GUPTA : Will the Minister of FINANCE be pleased to state :

the per capita Central assistance to each State/ Union Territory during the last three Plans as also the estimates of Current Five Year Plan period, year-wise?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : Information is being collected and will be furnished.

Recommendations of the World Bank on Financial Reforms

4254. SHRI ANANT KUMAR HEGDE : Will the Minister of FINANCE be pleased to state :

(a) whether attention of the Union Government has been drawn towards the recommendations made by the World Bank in its recent report on the financial sector reforms and capital market development in India;

(b) if so, the details thereof; and

(c) the reaction of the Union Government thereto?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Yes, Sir.

(b) World Bank in its Country Economic Memorandum (1996) has highlighted the importance of completing the financial sector reforms rapidly for promoting efficient allocation of investments required for achieving higher growth. They emphasized that some of the most important remaining aspects of financial sector reforms can only be implemented if fiscal consolidation is achieved. The report has recommended the following reforms in the financial sector: (i) restructuring of public sector banks; (ii) phasing out of the remaining controls of banks and insurance companies; (iii) accelerating development of money markets; and (iv) strengthening of prudential regulations, supervision, capital market infrastructure and of the legal and regulatory framework.

(c) The financial sector reforms are an ongoing process. Government has decided to limit the Central Government fiscal deficit to 5% of GDP in the current financial year. The various actions taken by Government on their own in the financial sector so far, among others, include : (i) substantial progress in deregulation of interest rates; (ii) entry of private sector banks; (iii) setting up of private sector Local Area banks with lower initial capital requirement; (iv) legislation enabling the establishment of depositories; (v) Stronger disclosure norms in respect of primary issues; and (vi) guidelines for mutual funds in general and money market mutual funds in particular.

Irregularities in Accounts of Punjab and Sind Bank

4255. SHRI HARIN PATHAK : Will the Minister of FINANCE be pleased to state :

(a) whether the Punjab and Sind bank has violated certain banking norms to show profits during the last year;

(b) whether serious lapses and non-compliance of RBI guidelines have also been pointed out by the auditors;

(c) if so, the action taken by the Government in regard thereto; and

(d) the circumstances leading to extension in service to Chairman-cum-Managing Director of the bank even without the recommendation of RBI?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c). Reserve Bank of India (RBI) has intimated that Punjab & Sind bank had Capitalised a sum of Rs.15.61 crores as on 1st April, 1994, being the amount of broken period interest paid to sellers at the time of purchase of securities by the bank, for the period 1.4.1990 to 31.3.1994 by credit to income account. The Auditors observed that it was not a sound policy. Some of the other qualifications made

by the auditors in the Balance Sheet of the Punjab and Sind Bank for the year 1994-95 were regarding accrued interest taken to income account and short provisions for advances. RBI, after examining the issue, had advised the bank that the broken period interest taken to the income account for the year ended 31st March, 1995 should be reversed from the income head while finalising the accounts for the year ended 31st March, 1996. Accordingly, the Bank has reversed the entry for Rs.15.61 crores as on 31.3.1996 by debiting provisions and contingencies and crediting investments.

(d) The tenure of the previous Chairman and managing Director of the Bank was extended by the appropriate authority until such time his successor, the present Chairman and Managing Director was appointed.

Export Quota Policy

4256. SHRI MANIKRAO HODLYA GAVIT :

SHRI PARASRAM BHARDWAJ :

Will the Minister of TEXTILES be pleased to state :

(a) whether the Union Government have abolished the quota for handloom sector in the new Textile Export Entitlement Policy (Quota Policy), 1997-99 announced recently;

(b) if so the reasons therefor and the quota announced for different sectors of textiles industry according to new policy;

(c) whether the Government have received any suggestion from textiles exporters in this regard; and

(d) if so, the details thereof and the reaction of the Government thereto?

THE MINISTER OF OF TEXTILES (SHRI R.L. JALAPPA) : (a) The reservation for the handloom sector, within the Non-Quota Exporters Entitlement systems of the Textiles Export Entitlement Policy, has been abolished for the period 1997-99. However, the handloom sector continues to enjoy a reservation in categories 369(D)/USA and 369(S)/USA as before.

(b) to (d). The Government had constituted a Task Force to give its recommendations on the new long term Textiles Export Entitlement Policy for the period 1997-99. The Task Force received suggestions from different Textiles Export promotion Councils Exporters' Associations, individual exporters and held open house meetings with exporters/interest groups in Mumbai, Madras and new Delhi. It submitted its report to the Government on 31 July, 1996. After detailed examination of the the recommendations of the Task Force, the Government announced the Textiles Export Entitlement Policy (1997-99) on 14-10-96. The systems of allotment